

DEC 1951

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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

25X1A

COUNTRY Hungary/Austria/Rumania

SUBJECT Soviet Zistersdorf - Pet Pipe Line Project/Rumored
Reasons for Suspension

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PLACE ACQUIRED
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DATE DISTR. 25 Aug 1953

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2. "In December 1951 the Soviets ordered the construction of a pipe line to link up the Soviet-administered Austrian oil fields at Zistersdorf with the Hungarian refinery at Pet. This pipe line would pass through Bratislava, Ligetfalu, Sarvar, Pupa and Viroslod. At Pet it would join the Lispe-Budapest pipe line, and the Almasfuzito line. This line is already in operation.
3. "The capacity planned for the Zistersdorf-Pet pipe line was 51 'tons' per hour - about 400,000 'tons' per year, pipe line reparations included. All oil produced in the Soviet Zone of Austria could be transported to Hungarian refineries.
4. "Groundwork for the pipe line project on Hungarian territory was finished by 1 November 52. A special 'transportation' station was set up south of Pupa. Most of the pipes for the line had been brought to the excavations and were ready for installation. These pipes, 1200 mm size, had been produced by the Matyas Rakosi plant and the Beloitianis Banyaszervezetek Gyara plant in Budapest.
5. "In November 1952 all work on the pipe line was suddenly halted. The stock-pile pipes were collected and carried away. It was rumored that these pipes had been collected for shipment to Rumania to meet the urgent demand there for pipe lines for the development of Rumanian oil production. Rumors in top Hungarian offices said also that the Austrian Communist Party had protested that overt exploitation of Austrian oil reserves for the benefit of a foreign country might ruin the CP's chances in the spring 1953 parliamentary elections.
6. "Although the completed parts of the pipe line project are being ruined by atmospheric exposure, I am convinced that the project has not been given up -- just suspended until a more politic moment. The Soviets have little confidence that the Austrian oil refineries could be protected in any hostilities; they are too exposed to air attack. The refineries in Hungary appear more secure."

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